

**MANAGED HEALTH CARE IMPROVEMENT TASK FORCE
JULY 26, 1997 STUDY SESSION - NOTES**

Saturday July 26, 1997

9.30 A.M.

1201 K Street

(California Chamber of Commerce)

Sacramento, California

I. CALL TO ORDER (Chairman, Alain Enthoven, Ph.D.) - 9.40am

The fifth Study Session of the Managed Health Care Improvement Task Force (Task Force) was called to order by Chairman, Dr. Alain Enthoven, at the Californian Chamber of Commerce building, Sacramento, California.

II. ROLL CALL AND DECLARATION OF A QUORUM - 9.42am

Task Force Secretary, Ms. Jill McLaughlin, took roll. The following Task Force members declared they were present: Dr. Bernard Alpert, Ms. Rebecca Bowne, Dr. Donna Conom, Ms. Barbara Decker, The Honorable Martin Gallegos, Dr. Bradley Gilbert, Ms. Diane Griffith, Mr. William Hauck, Mr. Mark Hiepler, Dr. Michael Karpf, Mr. Clark Kerr, Dr. J.D. Northway, Ms. Maryann O'Sullivan, Mr. John Ramey, Mr. Anthony Rodgers, Dr. Helen Rodriguez-Trias, Ms. Ellen Severoni, Dr. Bruce Spurlock, Mr. Ronald Williams, Mr. Allan Zaremborg, Mr. Steven Zatzkin.

Ex Officio members Ms. Kim Belshe and Ms. Marjorie Berte were also present.

III. OPENING REMARKS - 9.45am

Chairman Enthoven outlined the study session schedule and introduced the first report. Dr. Philip Romero informed Task Force members of the recent Fair Political Practices Commission determination immunizing members from disclosing assets and conflicts of interest. Dr. Romero also reported that Richter Bill AB227's fate was bound up with the overall Californian state budget hence "no change there". Finally, Dr. Romero discussed a variety of policy approaches with respect to the implementation of Task Force recommendations.

IV. REPORTS - 10am

A. Margaret Stanley (Assistant Executive Officer of Health Benefit Services)

Ms. Stanley outlined the benefits of the Californian Public Employees Retirement System (CalPERS) noting that the program possesses an annual premium total of \$1.5 billion and an 80% satisfaction rate offering coverage to state employees and their dependents. Ms. Stanley then proceeded to detail four key elements of the programs success, principally the choice of plan and plan types, active purchasing management, the composition and leadership of the CalPERS board and finally, the access afforded by the scheme to comprehensive and quality benefits.

Following a 1995 health-plan quality and performance report, Ms. Stanley suggested that 2/3 of CalPERS members of CalPERS who changed plans each year.

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Ms. Stanley concluded her presentation by stating that CalPERS will in future focus upon maintaining and increasing access, defining accountability, holding health-plans accountable, encouraging plans to invest in an infrastructure of information systems and, consider risk adjustment.

In response to Dr. Alpert's inquiry as to specific CalPERS recommendations for the Task Force, Ms. Stanley remarked that retirement system would like to see the Task Force find ways of making health-plans accountable for quality access and service, monitor the healthcare system and allow the market to work as opposed to the imposition of additional government regulation.

B. Dr. Anthony Legoretta (Vice President of Quality Initiatives Foundation Health Systems)

Presentation on efforts to continuously improve the quality of healthcare.

Dr. Legoretta commenced his presentation with a slide show detailing the foundations work in improving quality of care, concluding with a synopsis of the foundations disease management skills claiming that the industry needs to "develop a guideline to disseminate guidelines".

C. Clark Kerr

ERG Oral Report on new quality information development.

Dr. Kerr began by making a series of recommendations for the improvement of new quality information, defining 5 audiences for health information: consumers, health providers, plan purchasers, health professionals and policy makers.

Dr. Kerr claimed that current information was inadequate suggesting that California try and advance the risk assessment area, improve electronic medical records, move from a statutory to a regulatory approach in line with other states, distribute information to the general public and finally, commission a series of ongoing and evaluative studies. Dr. Kerr believed that such a practice would, for instance, aid an understanding of who does the best job in improving health habits believing that it "would be interesting to see functional outcomes".

In response to the ERG presentation, Dr. Karpf highlighted his desire to ensure that all recommendations are both appropriate and pragmatic.

D. Helen Rodriguez-Trias & Anthony Rodgers

ERG Oral Report on Managed Care's impact upon vulnerable populations.

Mr. Rodgers details what the ERG defines as 'vulnerable populations' including those afflicted with HIV, cancer, asthma, long -term illness, and members of the lower tiers of the Californian social and economic strata.

E. Helen Schaffler

Presentation on Managed Care's impact upon women.

Chairman Enthoven introduced the Task Force goals with respect to the survey involving women's experience in managed healthcare.

Dr. Schaffler stated that the study set out to discover the extent the healthcare system and Managed Care plans in California were encouraging women to change their behaviors by offering them health advice or increasing access to health promotion programs. Dr. Schaffler described how she thought the incentives must be changed to increase counseling rates for women about their health behaviors when they visit their healthcare providers.

The presentation concluded with Dr. Schaffler remarking that in addition to improving the Californian

Managed Care system, she would like to see the Task Force “work to begin to provide health insurance coverage and increased access to comprehensive quality managed care programs that promote health for all”.

1:10pm Chairman Enthoven said that given the time constraints, Dr. Schauffler's testimony would be allowed to conclude after lunch whereupon the Public Hearing would commence. Chairman Enthoven declared that the Study Session would adjourn for lunch.

V. PUBLIC HEARING - 2:15pm

E. Kit Costello (President of the California Nurses Association)

Ms. Costello outlined the C.N.A.'s wish to see legislative mandates that would create a standard of 90% greater premium revenue that would have to be spent on patient care. In addition, Ms. Costello advocated a review of capitation payments, full disclosure of medical information to patients, a board on any bonuses or incentives for clinics, and written criteria for denial of care supported by a qualified medical examination.

Chairman Enthoven thanked Ms. Costello for her testimony. The Task Force members addressed Ms. Costello's concerns with various questions and comments.

B. Jane Parish (Breast Cancer Advocate)

As a former sufferer of Breast Cancer, Ms. Parish argued that patients are ill-informed and have limited access to information. Ms. Parish stated her desire for legislation to counteract reimbursement schemes such as capitation which offers financial incentives to under treat patients. In conclusion, Ms. Parish suggested that E.R.I.S.A. needs to be reviewed and rewritten “to make Managed Care insurers accountable for their decisions”.

Chairman Enthoven thanked Ms. Costello for her testimony. The Task Force members addressed Ms. Parish's concerns with various questions and comments.

C. Loren Johnson (Californian Chapter of American College of Emergency Physicians)

Dr. Johnson claimed that Emergency Room infrastructure has been fundamentally damaged and that specialists are “resigning in droves”. Dr. Johnson stated that the only way ER's had survived had been by pursuing consumer protections to link mandated benefits. In concluding his testimony, Dr. Johnson advocated ‘The Access to Emergency Medical Services Act’, in other words, direct access, “not necessarily payment for non-emergencies but direct access at least to be screened and evaluated”.

Chairman Enthoven thanked Dr. Johnson for his testimony. The Task Force members addressed Dr. Johnson's concerns with various questions and comments.

D. Dr. Bill Weil (Maxicare)

Dr. Weil briefly outlined the positive aspects of Managed Care, including health education, member services and utilization review.

Chairman Enthoven thanked Dr. Weil for his testimony. The Task Force members addressed Dr. Weil's concerns with various questions and comments.

E. Lynne Morgan (Founder and Director of the Mitochondria disorder's Foundation of America)

Ms. Morgan wondered whether if capitations and incentives were removed from the system “doctors will come back to caring again and the administration able to care”.

Chairman Enthoven thanked Ms. Morgan for her testimony. The Task Force members addressed Ms. Morgan’s concerns with various questions and comments.

F. Warren Leach (Consumer)

As a veteran of five strokes, Mr. Leach suggested that there should be some preconditioning or pre-management of people with similar health problems in addition to patient after-care. Furthermore, Mr. Leach argued that capitation payments should be outlawed or even made a criminal offense.

G. David Blackman (Vice President of Tower Health)

Mr. Blackman made clear his wish that the Managed Care system not be judged upon the basis of media speculation or anecdotal evidence believing the system to offer both good quality care and sufficient access to healthcare members.

Chairman Enthoven thanked Mr. Blackman for his testimony. The Task Force members addressed Mr. Blackman’s concerns with various questions and comments.

ADJOURNMENT

